



Rainbow PUSH Coalition Lifeline and Link-Up Position

December 6, 2011

The Rainbow PUSH Coalition supports efforts to find ways to reach the low income community with broadband, **but we cannot support changes to Lifeline and Link-Up that will make it more difficult for low income Americans to obtain basic telephone service.**

Low income Americans need telephone service to find jobs, deal with emergencies, childcare and medical appointments, and access social services.

There are now officially 46.2 million people living in poverty in the United States. Easy access to a cell phone creates employment and financial opportunities that would not be there without Lifeline and Link-Up. They are needed now more than ever.

Broadband should be supported, but not at the expense of basic telephone service for America's poor.

Our Position

Don't cap the Low Income Fund...

Only around 32% of households that qualify for Lifeline are participating in the program. Imposing a cap on the Low Income Fund will place a cap on Lifeline enrollment. **This is incompatible with the mission Congress intended for the program.**

Don't require full self-documentation of eligibility...

Don't require America's poor to produce "food stamp letters" or other documentation to enroll for Lifeline. Low-income Americans often have unstable housing conditions which affect their ability to maintain consistent sets of records. Often, records are lost or destroyed. As a result, low income Americans often do not have readily available the original documents that prove they are receiving government benefits.

Also, most low-income individuals do not have easy access to the technology that will allow them to get these documents to the phone provider. It is often a challenge for poor people to access the Internet, send a fax, make a copy or scan a document. Many, faced with these barriers, will abandon their efforts to enroll in the program and will be left unconnected and nonparticipating.

Service providers seem willing, as an industry, to solve this on their own through the creation of a database that will allow them to check both eligibility status and duplicate enrollment without burdening applicants. The FCC should facilitate immediate creation of the database and mandate its use.

Don't require a minimum monthly fee...

Those who qualify for Lifeline are already facing economic hardship. In most cases, they are surviving on a meager monthly income that leaves them little room for extras, including a cell phone. One company reports that 62% of their Lifeline subscribers have not had phone service in a year or more when they apply. Requiring a monthly fee will limit participation.

Also, 9 million American households, including 17 million adults, are unbanked. This means that to send in a small monthly payment for phone service, say \$1.00, an individual will have to purchase a money order or use a transfer service. Either of these are an expensive proposition. Poor Americans would end up paying \$5.95, \$8.95 or more to simply transfer the fee to the phone company. This would put further financial pressure on struggling households and keep many from enrolling.

Don't eliminate Link-Up...

If the Link-Up subsidy is eliminated, **many of the carriers who serve the low income community will be unable to continue in business.** They need Link-Up to continue offering the Lifeline program. Without those carriers, low-income citizens, many of them seniors, will be at the mercy of the large telephone companies who have proven over the years that offering Lifeline to low-income citizens is not a priority. Also, Link-Up may have an important role to play in reaching the low income community with broadband service in the days ahead.

Conclusion

Poverty in the US is at an all time high. The need for poor Americans to be "connected" through telephone service is critical. **Now is not the time to create barriers to Lifeline access or limit the ability of carriers to reach out to low income communities.**